

12 MONTH TRANSITIONAL MEDICAID POLICY

EFFECTIVE
JANUARY 1, 2001

PROGRAM STANDARDS - EXTENDED MEDICAID BENEFITS
Twelve Month Transitional Medicaid

309 TWELVE MONTH TRANSITIONAL MEDICAID

Twelve Month Transitional Medicaid is a program that allows eligible households to continue to receive up to 12 months of extended Family Medicaid coverage after they lose eligibility for 1931 FM-O, FEP or FEP-TP or Diversion Medicaid. Only households that lose their eligibility for these programs under certain circumstances may be considered for Twelve Month Transitional Medicaid.

309-1 Eligibility Requirements

1. Households Receiving FEP, FEP-TP or 1931 FM-O

To be eligible for Twelve Month Transitional Medicaid the household must have received 1931 FM-O, FEP or FEP-TP in 3 of the 6 months prior to the month the household becomes ineligible; AND meet one of the following:

- A. The household becomes ineligible for 1931 Family Medicaid, FEP or FEP-TP cash assistance due to the earned income of a parent or non-parent specified relative.
- B. The household becomes ineligible for 1931 Family Medicaid because the primary wage earner parent is working more than 100 hours per month.
- C. The household becomes ineligible for 1931 Family Medicaid due to the loss of the time limited \$30 & 1/3 income disregards by any family member.

Note: When determining if the household meets the 3 of the last 6 months requirement, a household that receives FEP Diversion Medicaid is considered to have received 1931 FM-O for the three Diversion Medicaid months.

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2. Determining Eligibility for Twelve Month Transitional Medicaid

Whenever a change occurs and the change or a combination of changes makes the household ineligible for FEP, FEP-TP or 1931 FM-O, determine if any one of the following caused the household to become ineligible:

- A. The earned income of a parent.
- B. The hours of employment of the primary wage earner.
- C. The loss of the time limited \$30 and 1/3 disregard for any household member.

If so, consider the household for Twelve Month Transitional Medicaid.

EXAMPLE #1:

Ms. Richards is currently receiving FEP cash assistance for herself and two dependent children. Her only other source of income is a cash contribution from her parents. On August 2nd Ms. Richards reports that the father of her youngest child, Mr. Smith, has returned to the home.

The worker gets the verification needed to add Mr. Smith to the case. He is employed and when he and his earnings are added, the household's income is over the limit for FEP for the household size.

Since the earned income of a parent caused the household to lose eligibility for FEP and the household has received FEP in 3 of the last 6 months, the household (including Mr. Smith) is eligible for Twelve Month Transitional Medicaid. The worker closes the FEP case with the TR closure code, sends the FCTR notice and authorizes Twelve Month Transitional Medicaid for September.

EXAMPLE #2:

Mrs. Martinez is receiving 1931 FM-O for herself and two children. In July, she reported that she started a job and that her child support increased in the same month. The worker enters only the increase in child support and determines that the household is still eligible for 1931 FM-O.

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However, when the worker enters the earned income from Mrs. Martinez's new job, the increased child support and the earned income together exceed the income limit for 1931 Family Medicaid. Since her earnings were a factor in making the household ineligible for 1931 FM-O and Mrs. Martinez has received 1931 FM-O in three out of the last six months, the household is eligible for Twelve Month Transitional Medicaid. The worker closes the 1931 FM-O case using the TR closure code, sends the MCTR notice and authorizes Twelve Month Transitional Medicaid for August.

EXAMPLE #3:

Mrs. Johnson and her five children have been receiving 1931 FM-O since she and her husband separated 6 months ago. In February, she reported that her husband had returned to the home. The worker gets the information needed to add Mr. Johnson to the 1931 Medicaid household.

When Mr. Johnson and his earnings are added to the case, the household's income is still under the limit for 1931 FM-O. However, Mr. Johnson is working over 100 hours per month.

Since Mr. Johnson is the primary wage earner parent in the household and he is working over 100 hours per month, the household (including Mr. Johnson) is eligible for Twelve Month Transitional Medicaid. The worker closes the 1931 FM-O case using the TR closure code, sends the FCTR notice and authorized Twelve Month Transitional Medicaid for March.

Example 4:

Ms. Sanchez has been receiving 1931 FM-O for herself and 4 children. She is working and also receives child support for her two youngest children. Her oldest son Jimmy turned 18 in March. Since Jimmy has already finished high school, he no longer meets the age requirement. The worker removes him from the household for April and finds that the household income is now over the limit for the smaller household size.

The worker removes the earned income and determines that the household would still be eligible with only the child support income. Since the earned income of the parent is a factor in making the household ineligible and Ms. Sanchez has received 1931 FM-O in three of the last six months, the household is eligible for Twelve Month Transitional Medicaid. The worker closes the 1931 FM-O case with the TR closure code, sends the MCTR notice and authorizes benefits for Twelve Month Transitional Medicaid for April.

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3. Households Receiving FEP Diversion Medicaid

Households that receive a FEP diversion payment and choose to receive the three months of Diversion Medicaid may qualify for Twelve Month Transitional Medicaid at the end of the three month Diversion Medicaid period. Determine eligibility for Twelve Month Transitional Medicaid for these households using the following steps:

- A. Determine if the household is eligible for 1931 FM-O in the first month after the end of the Diversion Medicaid period. (See section 303-1.)
- B. If the household meets all of the eligibility requirements for 1931 FM-O, open a 1931 FM-O case for the household.
- C. If the household does not meet all of the eligibility requirements for 1931 FM-O and a parent in the household has earned income, determine if the household is eligible for Twelve Month Transitional Medicaid using the following steps:
 - (1) Total the household's unearned income for the month after the end of the three month diversion period and compare it to the FEP payment standard for the household size.
 - (2) If the household's unearned income is over the FEP payment level, the household is not eligible for Twelve Month Transitional Medicaid.
 - (3) If the household has no unearned income or if the total unearned income is not over the FEP payment level, total the gross earned income of all household members for the month after the end of the three month diversion period;
 - (4) Subtract \$100 from the earnings of each household member who is employed.;
 - (5) Add any countable unearned income;
 - (6) Compare the total to the FEP payment standard for the household size.
 - (7) If the total of the countable earned and unearned income is over FEP payment standard for the household size, the household is eligible for Twelve Month Transitional Medicaid.

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- (8) If the total of the countable earned and unearned income is under FEP payment standard for the household size, the household is not eligible for Twelve Month Transitional Medicaid.
- D. If the household is not eligible for either 1931 FM-O or Twelve Month Transitional Medicaid, determine if any household members are eligible under any other medical assistance programs.

EXAMPLE #1:

Ms. Nelson received a FEP Diversion payment for herself and 3 children in March. She chose to receive Medicaid for the three diversion months of March, April and May. At her review in May, she reported that she has started receiving unemployment compensation and has no other income.

The worker completes a 1931 FM-O determination based on the best estimate of circumstances for the month of June and finds that the household is eligible for 1931 FM-O. The worker approves the household for 1931 FM-O effective June 1st.

EXAMPLE #2:

Ms. Green received a FEP diversion payment for herself and one child in March. She chose to receive Medicaid for the three diversion months of March, April and May. At her review in May, Ms. Green reported that she has started a job and is also receiving child support. The worker completes a 1931 FM-O determination based on the best estimate of circumstances for the month of June and finds the Ms. Green's income and assets are over the limit for 1931 FM-O.

The worker then determines that the child support alone is not over the FEP payment standard, but when the earned income is counted the total household income is over the limit for FEP. The household is eligible for Twelve Month Transitional Medicaid. The worker closes the Diversion Medicaid using the TR closure code, sends the MCTR notice and authorizes Twelve Month Transitional Medicaid for June.

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4. Ongoing Eligibility Requirements for Twelve Month Transitional Medicaid

Once the household has been determined to be eligible for Twelve Month Transitional Medicaid, the household must meet the following requirements to remain eligible for the full twelve months.

- A. The household must continue to include an age eligible dependent child.
- B. The household must continue to meet Utah residency requirements.
- C. The household must comply with the income reporting requirements. (See section 309-4.)
- D. A parent must have earnings in each of three months in the 3 report periods or have good cause for no earnings. (See section 309-4 and 309-5.)
- E. The household's average earned income minus the average child care expenses for the second and third report periods must not exceed 185% of the Federal Poverty Level for the household size. (See section 309-4.)

309-2 Who to Include in the 12 Month Medical Coverage

- 1. Include everyone who was a member of the FEP or 1931 FM-O household at the time the household was determined to be eligible for Twelve Month Transitional Medicaid.
- 2. Include anyone who would have been included in the FEP or 1931 FM-O coverage but who had been sanctioned for any reason other the fraud. (See section 309-9.)
- 3. Do not include anyone who has been convicted of Medicaid fraud.

309-3 When Do Transitional Benefits Begin

Begin the Twelve Month Transitional Medicaid on the first day of the month for which the household is no longer eligible for FEP, FEP Diversion Medicaid or 1931 Family Medicaid. If the 10-day closure requirement results in the household receiving FEP or 1931 Family Medicaid in a month for which the household is not eligible, that month will be counted as the first month of the Twelve Month Transitional period.

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In this situation, close the FEP or 1931 FM-O case using the TR closure code and allow for 10 day notice. Set the month indicator on the ETRC screen in PACMIS for the Twelve Month Transitional Medicaid case to the correct month

EXAMPLE:

Ms. Jones reported on May 22nd that on May 15th she started a new job. The best estimate of her income for June exceeds the 1931 FM-O income limit. Close the 1931 FM-O case using the TR closure code effective June 30th. June is the first month of the twelve month period. The FM12 program is opened effective July 1st. The worker changes the month indicator to 2 on the ETRC screen in the month of July for the Twelve Month Transitional Medicaid case.

309-4 Income Reporting Requirements

Households receiving Twelve Month Transitional Medicaid are required to report information about their income and child care expenses at the end of the first, second and third quarters of the twelve month period. Household's who fail to comply with income reporting will not receive the full twelve months of coverage.

1. First Report

For the first report period, the only requirement is that a parent must have had earnings or good cause for no earnings in the first three months of the twelve month period. A notice explaining the requirements for continued eligibility under the program will be sent to the household in the third month. If the parent or non-parent specified relative did not receive earnings in one or more of the first three months, the household must report this information and provide any necessary verification by the 17th of the fourth month.

If the household reports that the parent or non-parent specified relative did not have earnings in one or more of the first three months, determine if there was good cause. If there was no good cause, close the case at the end of the sixth month.

If the parent or non-parent specified relative had earnings in each of the first three months, the household is not required to report or provide any verification.

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2. Second and Third Reports

For the second and third report periods, the household must report and verify all earnings received and child care expenses paid in the report period. A notice explaining the requirements for continued eligibility under the program and an income report form will be mailed to the household in the 6th month for second report and the 9th month for the third report. The notice will instruct the household to complete and return the income report form along with verification of earnings and child care expenses for the report period by the 17th of the following month.

- A. The worker must register the report as complete and enter the income and child care expense information into the PACMIS system. It does not matter if the household does not complete or return the actual report form as long as all of the information needed to determine eligibility is verified by the client or otherwise available to the worker.
- B. If the income report is registered as complete and the household meets all of the eligibility requirements for the program, the household is eligible for continued coverage under Twelve Month Transitional Medicaid.
- C. The household is not eligible for continued coverage and the Twelve Month Transitional Medicaid case must be closed at the end of the report month if:
 - (1) The averaged earned income minus the averaged child care expenses for the three report months exceeds 185% of the poverty level for the household size.
 - (2) The parent did not have earnings and did not have good cause for no earnings in one or more of the three report months.
- D. If the second or third income reports are not registered as complete by the 17th of the report month, the Twelve Month Transitional Medicaid case will auto-close at the end of that month.
- E. If the information needed to complete the report is received by the last day of the report month and the household meets the requirements for continued eligibility, the Twelve Month Transitional Medicaid case may be reopened. The household does not have to have good cause.

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- F. If the information needed to complete an income report is received after the last day of the report month, the Twelve Month Transitional Medicaid case may be reopened if there is good cause. (See section 309-6.)

3. Other Reported Information

The worker must take appropriate action on any other changes reported by the household at any time during the twelve month period. (See section 309-7.)

309-5 Good Cause For No Earnings

If the parent or non-parent specified relative has no earnings in one or more of the three months in the reporting period determine if there was good cause for zero earnings.

Good cause includes any of the following:

1. The individual was employed in the month but date on which s/he was paid did not fall in that month.
2. There was an illness that prevented the person from working.
3. Involuntary loss of employment. Good cause under this condition is not time limited.
4. A BES or DWS supervisor may decide that the parent had good cause for no earnings based on reasons other than those stated above. This decision should be recorded on a form 689 and documented in the case record.

309-6 Good Cause for a Late Report

If the information needed to complete an income report is received after the end of the report month and there was good cause for the late report, the Twelve Month Transitional Medicaid case may be reopened. (See section 309-8.) The good cause reasons are listed below.

1. The notice or report form were not mailed by the 25th of the month before the information was due or they were sent to the wrong address.
2. A member of the household is ill.

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3. The death of a relative which required the employed household member to be away from home.
4. A natural disaster that affected the household's residence.
5. There was a robbery of the household's belongings.
6. The employer caused the delay or would not provide verification of the income.
7. A BES or DWS supervisor may decide that the household had good cause for a late report based on reasons other than those stated above. This decision should be recorded on a form 689 and documented in the case record.

309-7 Changes During the Twelve Month Period

Households that have been determined eligible for Twelve Month Transitional Medicaid are guaranteed a minimum of 6 consecutive months of medical coverage as long as there continues to be an age eligible dependent child in the household and the household continues to reside in Utah. The worker must take action on changes as follows:

1. Adding a New Person to the Household
 - A. A person can be added to the Twelve Month Transitional Medicaid coverage if that person would be included in the 1931 Family Medicaid or FEP household if the household was applying for 1931 Family Medicaid or FEP in the current month. For example, children who are born or adopted into the household or family members who were absent from the household at the time 1931 Family Medicaid was terminated but return during the 12 month period may be added to the coverage.
 - B. The new household member must meet Medicaid eligibility requirements such as citizenship and social security number.
 - C. The household must report the income for the new person at the next regular income report. The income of a new household member will not be counted in determining continued eligibility until that time.
 - D. Deprivation of support is not a factor when adding a new person to the household.

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EXAMPLE #1:

Mrs. James and two children are receiving Twelve Month Transitional Medicaid. Her husband and two other children return to the household. The worker adds Mr. James and the two children to the Twelve Month Transitional Medicaid case because they would all be included in the FEP or 1931 FM-O case if they were applying now. The household must report the income of the new household members when the next income report is due.

EXAMPLE #2:

Ms. Thompson is receiving 12 Month Transitional Medical. Her son J.J. age 15, who lived with his mother the month their 1931 Family Medicaid case closed and later moved out and her other son B.J. age 17, who had moved out two months earlier and was not part of the 1931 Family Medicaid household when the case closed both moved back into the home. The worker adds both of them to the Twelve Month Transitional Medicaid case because they would both be included in the 1931 FM-O household if they were applying now.

EXAMPLE #3:

Ms. Davis is pregnant when she begins to receive 12 Month Transitional Medical assistance. Her baby is born during the transitional period. The baby is added to the 12 Month Transitional Medical case. If the Twelve Month Transitional Medicaid case closes before the baby turns one year, the baby would be eligible under PN+.

EXAMPLE #4:

Ms. Andrews is receiving Twelve Month Transitional Medicaid. She got married in the 4th month of the twelve month period. The worker adds the new husband to the case even though he was not part of the FEP household at the time of the TR closure. This is because he would be part of the FEP household if they were applying now. His earnings must be reported and will count toward the 185% test when the next quarterly report is due.

EXAMPLE #5:

Mrs. Brown had been receiving FEP for herself and her grandson as a specified relative. She started working and the FEP case closed. TR. She and her grandson began receiving Twelve Month Transitional Medicaid. In the 6th month of the twelve month period, her grandson's parents moved into her home. The worker adds both parents to the case and also leaves the grandmother, Mrs. Brown on the case. This is because we can add individuals to the Twelve Month Transitional Medicaid household if they would be included in the FEP household if they were applying now and since grandma qualified for Twelve Month Transitional Medicaid initially she may remain in the Twelve Month Transitional Medicaid coverage as long as she continues to live in the same household with her grandson.

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2. Removing a Person from the Household

- A. When a person leaves the household and the absence is not temporary, remove that person from the Twelve Month Transitional Medicaid case.
- B. If the person who leaves the household is the only age eligible dependent child, close the Twelve Month Transitional Medicaid case. Determine if any of the remaining household members would be eligible for any other medical assistance programs.
- C. When a child in the household no longer meets the age requirement for Family Medicaid, remove the child from the case. (See section 303-5)
- D. If the only child in the household no longer meets the age requirement for Family Medicaid, close the Twelve Month Transitional Medicaid case. Determine if any household members would be eligible under another medical assistance program.

3. Other Changes

- A. If the household leaves the State and establishes residency outside the state of Utah, close the Twelve Month Transitional Medicaid case. If the household returns to Utah and reestablishes Utah residency, the household may have their Twelve Month Transitional Medicaid case reopened for any months remaining in the original twelve month period. (See section 309-8.)
- B. When a household receiving Twelve Month Transitional Medicaid goes back on 1931 FM-O or FEP, close the Twelve Month Transitional Medicaid case.
 - (1) If the household again loses eligibility for 1931 FM-O or FEP and meets all of the requirement for Twelve Month Transitional Medicaid, close the case with the TR closure code. A new twelve month period will be established.
 - (2) If the household does not meet the requirements for a new TR closure the Twelve Month Transitional Medicaid case may be reopened for any months remaining in the original twelve month period as long as the household meets all the requirements to remain eligible. (See section 309-8.)

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309-8 Reopening a Twelve Month Transitional Medicaid Case

1. Reasons for Reopening a Twelve Month Transitional Medicaid

A Twelve Month Transitional Medicaid that has been closed may be reopened only if it was closed for one of the following reasons:

- A. The case closed because the household did not provide income and expense verification by the 17th of the report month but the information was provided by the last day of the report month. (The household does not have to have good cause.)
- B. The case closed because the household did not provide income and expense verification by the 17th of the report month but the information was provided after the last day of the report month and the household had good cause for late report. (See section 309-6.)
- C. The case closed because the household moved out of the state then reestablished Utah residency sometime during the original twelve month period and requested that their Twelve Month Transitional Medicaid case be reopened.
- D. The case closed because the household reapplied and was determined eligible for FEP 1931 FM-O and then did not qualify for a new TR closure when they again lost eligibility for FEP or 1931 FM-O and there are still months remaining in the original twelve month period.

2. Procedures for Reopening a Twelve Month Transitional Medicaid Case

- A. When the household provides the information needed to complete their income report either after the 17th but before the last day of the report month or after the last day of the report month with good cause for late report, revert the case to open. Register any income reports that would have been required and enter the income and expense information in PACMIS. If the household meets all of the eligibility requirements, authorize benefits for all months back to the date of the closure.

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- B. When a household that had moved out of the State returns and requests that their Twelve Month Transitional Medicaid case be reopened, register a new FM-12 program beginning with the month the household returned to the State. Change the month counter on the ETRC screen to the correct month number based on the original twelve month period. Enter the information for any income reports that would have been due during the time the case was closed. If the household meets all of the eligibility requirements, authorize benefits back to the month the household reestablished Utah residency
3. Before TR Medicaid can be reopened, the household must meet all eligibility requirements. For example, the household must provide all income and expense verification for any income report that would have been due during the time the case was closed and meet all of the requirements for ongoing eligibility under Twelve Month Transitional Medicaid. (See section 309-1 #4.)

EXAMPLE #1:

The Peterson household was receiving Twelve Month Transitional Medicaid. The household did not provide the information for the second income report which was due July 17th and the case auto closed. They provided all the information to complete the report on July 31st.

Since they did provide the information by the last day of the report month, the worker reverts the case to open, registers the report and enters the information. The household meets all of the requirements for continued eligibility. The worker authorizes benefits to the current month.

EXAMPLE #2

The Christensen household began receiving Twelve Month Transitional Medicaid in January. They did not provide the information for the second income report that was due on July 17th until August 15th. The worker finds that the report and the notice were sent to the Christensen's old address and they did not know the report was due until they contacted their worker in August.

The worker determines that there was good cause for late report and reverts the case to open and enters the information for the second income report. The household meets all the requirements for continued eligibility under Twelve Month Transitional Medicaid. The worker authorizes the benefits up to the current month.

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EXAMPLE #3

The Stevens household began receiving Twelve Month Transitional Medicaid January. In March they moved out of the State. In July they moved back to Utah and requested that their Medicaid case be reopened.

The worker requests the information that would have been needed for the first and second income report periods, registers a new FM-12 program and sets the month indicator on the ETRC screen in PACMIS to 7 (July would have been the seventh month of the original twelve month period).

The worker enters the information for the second income report and determines that the household meets all of the eligibility requirements for continued eligibility under Twelve Month Transitional Medicaid.

EXAMPLE #4:

Ms. Simpson began receiving Twelve Month Transitional Medicaid for herself and two children in January. She lost her job and reapplied and began receiving FEP in May. In June, she started receiving unemployment benefits that were over the limit for FEP and her FEP case closed at the end of July. Since she did not have any earned income she was not eligible for a new TR closure.

The worker registers a new FM-12 program and sets the month indicator on ETRC to 7 because July would have been the 7th month of the original 12 month period. She enters all the information that would have been needed for the second income report period and determines that the household meets the requirements for continued eligibility for Twelve Month Transitional Medicaid.

EXAMPLE #5:

Mr. Gellar began receiving Twelve Month Transitional Medicaid in January. He lost his job and reapplied and was determined to be eligible for FEP in August. He received a FEP payment for August, September and October. In October, he started working again and his earnings were over the limit for FEP for November.

Since he was no longer eligible for FEP because of earnings and he had received a FEP payment in three out of the last six months, he meets the requirements for a new TR closure. The worker closes the FEP case using the TR closure code and an new Twelve Month Transitional Medicaid case is opened effective November 1st.

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309-9 Child Support Enforcement and Third Party Liability

Individuals receiving Twelve Month Transitional Medicaid cannot be sanctioned for failure to comply with Duty of Support or Third Party Liability requirements.

309-10 Notice Requirements

The notification requirements in section 811 must be met whenever a Twelve Month Transitional Medicaid case is closed.

309-11 Review Requirements for Twelve Month Transitional Medicaid

At the end of the twelve month period or anytime a Twelve Month Transitional Medicaid case closes, review the case to determine if any household members are eligible under any other medical assistance programs.

Twelve Month Transitional Medicaid Changes for January 2001

- Same policy will apply to FEP and 1931 FM households.
- Must have received FEP, FEP Diversion Medicaid, or 1931 FM in three out of the last six months.
- Unemployment or Workman's Compensation are not considered to be earned income.
- Must have become ineligible for FEP or 1931 FM due to earned income or hours of employment of a parent or non-parent specified relative. This includes:
 - T Absent parent returns to the household and his income makes the household ineligible for 1931 FM or FEP.
 - T Absent parent returns to the 1931 FM household and that parent is the primary wage earner and is working over 100 hours per month.
 - T A person leaves the household or a child no longer meets the age requirement and the household would still be eligible with the smaller household size if the parent did not have earned income.
 - T There is an increase in unearned income but the household would still be eligible if the parent did not have earnings.
- Diversion households are eligible for Twelve Month Transitional Medicaid only if they are not eligible for 1931 FM and a parent has earned income that makes the total household income over the limit for FEP in the first month after the end of the Diversion Medicaid period.
 - T Always check for 1931 FM eligibility first.
 - T If unearned income is over the limit for FEP the household is not eligible for TR even if the parent has earnings.
- Household does not have to complete an income report for the first report period if they have had earnings in the first three months of the twelve month period.
- Household does not have to complete the report form for the second and third period as long as we have all the income and expense information needed to determine continued eligibility.
- Twelve Month Transitional Medicaid case that is closed for failure to complete an income report may be reopened if they provide the information before the effective date of the closure.